



U.S. Department of State FY 2001 Country Commercial Guide: Malta

The Country Commercial Guide for Malta was prepared by U.S. Embassy Valletta and released by the Bureau of Economic and Business in July 2000 for Fiscal Year 2001.

International Copyright, U.S. & Foreign Commercial Service and the U.S. Department of State, 2000. All rights reserved outside the United States.

TABLE OF CONTENTS

I. EXECUTIVE SUMMARY

II. ECONOMIC TRENDS AND OUTLOOK

- Major Trends and Outlook
- Principal Growth Sectors
- Government Role in the Economy
- Balance of Payments Situation
- Infrastructure

III. POLITICAL ENVIRONMENT

- Political System
- Political Issues Affecting Business Climate
- Political Relationship with the U.S.

IV. MARKETING U.S. PRODUCTS AND SERVICES

- Distribution and Sales Channels
- Franchising
- Direct Marketing
- Joint-Ventures/Licensing

- Establishing an Office
- Selling Factors/Techniques
- Advertising and Trade Promotion
- Pricing A Product
- Sales Service/Customer Support
- Selling to the Government
- Need for an Attorney

V. LEADING SECTORS FOR U.S. EXPORTS AND INVESTMENT

Best Prospects for Non-Agricultural Products

- Information Handling
- Communications Equipment and Services
- Medical Equipment and Supplies
- Franchising Opportunities
- Government Tenders
- Financial Services
- Transshipment/Warehousing
- Manufacturing Opportunities
- Electronic Components

Best Prospects for Agricultural Products

- Grain Products
- Timber
- Poultry

VI. TRADE REGULATIONS, CUSTOMS AND STANDARDS

- Trade Barriers
- Import Licenses
- Export Controls
- Import/Export Documentation
- Temporary Importation
- Labeling/Marking Requirements
- Free Trade Zones/Warehouses
- Prohibited Imports
- Standards
- Special Import Provisions
- Membership in Free Trade Arrangements

VII. INVESTMENT CLIMATE

- Openness to Foreign Investment
- Conversion and Transfer Policies

Expropriation and Compensation
 Dispute Settlement
 Performance Requirements/Incentives
 Right to Private Ownership and Establishment
 Protection of Property Rights
 Transparency of the Regulatory System
 Efficient Capital Markets/Portfolio Investments
 Political Violence
 Corruption
 Bilateral Investment Guarantees
 OPIC and other Investment Insurance Programs
 Labor
 Foreign Trade Zones and Free Ports
 Foreign Direct Investment Statistics
 Major Foreign Investors
 Capital Outflow Policies

VIII. TRADE AND PROJECT FINANCING

The Maltese Banking System
 Foreign Exchange Controls
 General Financing Availability/Terms of Payment

IX. BUSINESS TRAVEL

Clothing
 Language
 Health and Medicine
 Transportation
 Business Hours
 Holidays
 Foreign Service Posts

X. ECONOMIC AND TRADE STATISTICS

A. Country Data
 B. Domestic Economy
 C. Trade Statistics

XI. U.S. AND COUNTRY CONTACTS

A. Official Organizations
 B. Business Organizations

XII. MARKET RESEARCH

XIII. TRADE EVENT SCHEDULE

CHAPTER I. EXECUTIVE SUMMARY

This Country Commercial Guide (CCG) presents a comprehensive look at Malta's commercial environment, using economic, political and market analysis. The CCGs were established by recommendation of the Trade Promotion Coordinating Committee (TPCC), a multi-agency task force, to consolidate various reporting documents prepared for the U.S. business community. Country commercial guides are prepared annually at U.S. embassies through the combined efforts of several government agencies.

Malta is a small, developed, democratic Mediterranean island nation, located 60 miles south of Sicily at the crossroads of Southern Europe, North Africa and the Middle East. Its population of 380,000 is homogeneous and Roman Catholic. English is one of the two official languages and is widely spoken.

Malta has had an association agreement with the European Union (EU) for over 20 years. Malta's application for membership into the EU, initiated by the Nationalist Party (PN) government, was frozen by the Labor government in October, 1996. The application was immediately resubmitted by the PN upon its victory at the polls in September, 1998. Malta hopes to be included in the first wave of new EU entrants, which should be admitted by 2003-2005.

The EU is Malta's major trading partner, accounting for around 65 percent of imports and about 48 percent of exports, but trade volume with the U.S. has grown significantly in recent years; official figures indicate a five-fold increase since 1992. U.S. exports to Malta increased 4.5% in 1999 reaching a total of USD 240 million. On the other hand, Maltese exports to the U.S. amounted to USD 422 million, an increase of 30.5% over 1998 figures. Trade in U.S. goods is actually underreported, since many products are sold through European subsidiaries of U.S. companies. Tourism accounts for about 40 percent of GDP and is the main source of foreign exchange. More than 1.2 million tourists visited Malta in 1999, generating about USD 650 million in foreign exchange earnings.

In its 22 months of government, the Labor administration had embarked on a painful restructuring of the country's economy, involving reduced public expenditures, a gradual liberalization of the economy and the privatization of some of the major state-owned companies. The first such entity to be privatized was the telecommunications monopoly. The PN administration has recognized the need to restructure the economy mainly through a reduction in public expenditures and through the privatization of several government entities. It has published a comprehensive plan outlining which

government entities will be privatized during the next five years. The restructuring exercise should prove beneficial to Malta in the long run. Malta's real GDP went up by 4.4 percent in 1999 (compared to 3.1 percent in 1998) reaching USD 3.3 billion by the end of 1999. Inflation decreased marginally from 2.2 percent in 1998 to 2.1 percent in 1999, and the unemployment rate increased marginally from 5.1 percent in December 1998 to 5.3 percent at the end of 1999.

Public debt as a percentage of GDP has climbed sharply over the past several years, in large part to finance major infrastructure projects. By 1999, it stood at 56.1 percent of GDP, up from 33 percent in 1994. At an estimated USD 765 million, Malta's trade deficit in 1999 was 1.3 percent higher than in 1998. The country's current account deficit of USD39.0 million in the first 9 months of 1998 was turned into a surplus of USD 45.8 million in the same period of 1999, mainly as a result of a significant increase in investment income and a decline in the merchandise trade deficit.

Long-term prospects for the economy are closely tied to the question of EU membership and to the government's efforts at restructuring and attracting foreign investment. The economy should also be given a boost through the major infrastructural projects that are awaiting final approval; these include several marina developments and the construction of various tourist projects.

The government welcomes foreign investment and allows 100 percent foreign ownership in most business activities. There are no formal sector restrictions. The principal growth sectors are tourism, services and manufacturing. U.S. franchises, especially food outlets, have been very successful recently. The Malta Development Corporation and the Malta Freeport offer incentives to attract foreign companies. The Government of Malta is also in the process of liberalizing its financial laws to further develop its stock exchange and banking system.

Many U.S. companies have qualified agents and distributors in Malta, in areas ranging from computers and software to pharmaceuticals and consumer products. Qualified agents can be found for almost every type of product. The most promising areas are computers, peripherals, software, electronic components, medical equipment, pollution control and waste disposal equipment, telecommunications and consumer goods and foods. Although EU countries still account for most of Malta's total trade, the U.S. is fast gaining ground. Trade with the U.S. increased dramatically in the last 8 years; in 1999 alone it advanced by a staggering 20 percent, compared to the decreases or much smaller gains registered by most of Malta's traditional trading partners.

Country commercial guides are available for U.S. exporters from the National Trade Data Bank's CD-ROM or via the Internet. Please contact STAT-USA at 1-800-Stat-Usa for more information. Country Commercial Guides can be accessed via the world wide web at <http://www.stat-usa.gov>, <http://www.state.gov/>, and <http://www.mac.doc.gov>. They can also be ordered in hard copy or in diskette from the National Technical Information Service (NTIS) at 1-800-553-NTIS. U.S. exporters seeking general export information/assistance and country-specific commercial information should contact the U.S. Department of Commerce, Trade Information Center by phone at 1-800-USA-TRADE or by fax at 202-482-443.

CHAPTER II - ECONOMIC TRENDS AND OUTLOOK

Major Trends and Outlook

Malta has an association agreement with the European Union (EU), and is currently negotiating for full membership into the EU. The government hopes to be included in the first wave of new EU entrants, which should be admitted by 2003-2005. Although the EU accounts for about 65 percent of Malta's imports and roughly 50 percent of its exports, trade volume with the U.S. has increased dramatically over the past 8 years. U.S. exports amounted to USD 240 million in 1999 and Maltese exports to the U.S. reached USD 422 million. Trade in U.S. goods is actually underreported, since many products are sold through European subsidiaries of U.S. companies in order to avoid the extra tariffs imposed on non-EU imports.

Until 1996, Malta's annual GDP growth rate had been averaging 5.0 percent for the better part of a decade. Expansionary fiscal policy by the right-of-center Nationalist Party (PN) administration over that period, and large infrastructure projects such as the International Airport and the Malta Freeport, contributed to this growth. At the same time, unemployment remained relatively steady at an average of 4.0 percent, with inflation under check at about 3.1 percent on the average. However, this policy led to increased public borrowing, with the result being a public debt that ballooned from 24 percent of GDP in 1990 to 56.1 percent in 1999. Under this PN government, Malta applied for EU membership.

Elected in October 1996, a left-of-center Labor (MLP) administration froze the EU membership application and set out to rein in public expenditures and reduce the growth of public debt. In 1997, real GDP growth was 4.9 percent, up from 4.0 percent in 1996, while inflation edged up to 3.3 percent and unemployment to 5.0 percent for the year.

The MLP was defeated in early elections in September 1998, and the new PN government immediately reapplied for Malta's EU membership. The matter is now being considered in Brussels. Long-term prospects for the Maltese economy hinge on the government's success in joining the EU, as well as its performance in restructuring the economy and attracting foreign investment. The EU membership issue will eventually be decided by referendum.

Principal Growth Sectors

The economy has grown at a slower rate in 1998 and 1999. In 1999, real GDP growth was 4.4 percent. Inflation and the unemployment rate in 1999 were 2.1 percent and 5.3 percent, respectively. The slowdown in economic activity was primarily due to lower government spending and to uncertainty in the business community about future prospects of the economy. With over one million arrivals per year, tourism is the main foreign exchange earner and the principal growth sector. Manufacturing, now accounting for 22 percent of GDP, and services are the fastest growing sectors. At current prices, the manufacturing sector grew by 17 percent since 1995, while banking, insurance and real estate grew by more than 40 percent over the period, to account for almost 8 percent of GDP in 1999. Wholesale and retail increased only marginally over 1998 figures, to account for about 11 percent of GDP.

Government Role in the Economy

The Government of Malta (GOM) is a major contributor to the economy, with government spending responsible for almost half of GDP. A major presence on capital markets, the GOM borrowed USD 275 million in 1999 to finance revenue shortfalls. Public enterprises provide employment for over 11,000 Maltese, about 10 percent of the total workforce. However, they are neither profitable nor efficient; public enterprise debt currently stands at about USD 1330 million. In addition, the GOM must finance recurrent operational deficits totaling some USD 40 million per annum, out of which USD 15.0 million are used to sustain the operation of Malta Drydocks. Successive administrations have recently realized that privatization of public enterprises would solve most of these problems. In 1997, the GOM privatized Maltacom, Malta's national telecommunications company, while still retaining a 60 percent share in the company. In 1999, the PN administration continued to follow its privatization policy when it divested itself of 66 percent of the shares in Mid-Med Bank for a price of USD 200 million. The Hong Kong Shanghai Bank Corporation (HSBC) bought the government's interest to become the majority shareholder in Mid-Med with a 70 percent interest. According to a GOM study published in 1999, the following are the public entities which will first be privatized: Malta International Airport, the Malta Freeport Terminal, Public Lotto, and the Bank of Valletta, the second largest commercial bank in Malta. Meanwhile, it is expected that the GOM will continue to privatize Maltacom.

Balance of Payments Situation

As a result of major public expenditures over the period, public debt has been steadily climbing, so that it now represents about 56.0 percent of nominal GDP, up from 33 percent in 1994 and 24 percent in 1990. Total outstanding debt stood at close to USD 2.0 billion at the end of 1999, or 11% of GDP. The estimated fiscal deficit at the end of 1999 was USD 310 million. The balance of trade showed a deficit of USD 863 million in 1999, up from USD 810 million in 1998. The current account for the first three-quarters of 1999 recorded a surplus of USD 46 million, compared to a deficit of USD 39.0 million in the same period of 1998.

Infrastructure

Over the past 10 years, the Government of Malta has made it a priority to improve the country's infrastructure, so as to bring it to the developmental level of many of its southern European neighbors. A new telecommunications system, with fiber optics, was put into place in the early 90's, while a new international airport now provides Malta with the modern infrastructure necessary to cater for growing tourist arrivals. A half dozen new four-star hotels have sprung up on the island. The GOM also invested heavily in the Malta Freeport, a major project designed to make Malta a center for transshipment in the Mediterranean. The Freeport handles around 1.2 million containers per annum. Work on Terminal Two 'Phase A' was completed in December 1999. By the end of the year 2000, Terminal Two 'Phase B' is expected to be operational. This development is estimated to cost over USD 200 million. Roads have undergone some improvement, but a lot of work still remains to be done. The GOM estimates that close to USD 200 million will have to be spent on

8
improving roads over the next several years.

CHAPTER III - THE POLITICAL ENVIRONMENT

Political System

Malta is a small, developed, democratic island, positioned as a cultural and political stepping stone between Europe and North Africa. Malta's government is a parliamentary democracy based on the British system, with elections every 5 years. After 10 years of rule by the Nationalist right-of-center party, the Labor Party was elected in October, 1996. This government lasted 22 months and was defeated in early elections in September, 1998. The new PN government, led by Prime Minister Eddie Fenech Adami, has made it its foremost priority to get Malta into the EU.

Political Issues Affecting the Business Climate

The major political issue affecting the business climate is the question of whether or not Malta will join the EU. The issue of Malta's relationship with Libya is also a connected problem, affecting mostly relations with the U.S.

While the PN had introduced a Value Added Tax (VAT) as a prelude to qualifying for EU membership, the MLP removed VAT and froze Malta's EU application. The MLP government introduced a CET (Customs & Excise Tax) in 1997, to replace VAT. On January 1, 1999, the new PN administration axed the CET and reintroduced the VAT, at a rate of 15 percent. As for EU membership, Malta's application is now being reconsidered. In the meantime, the association agreement that Malta has had with the EU for years is still operating. Malta hopes to be included in the first wave of new EU entrants sometime between 2003 and 2005.

Political Relationship with the U.S.

The U.S. and Malta have enjoyed a cordial relationship over the past 10 years, following some strains under the Labor government of Prime Minister Mintoff in the 70's and early 80's, because of Malta's close relations with Libya at the time. Malta's overall relationship with Libya and the U.S. sanctions against Libya continue to be important in the U.S. interaction with Malta, but these no longer define the relationship between the two countries as they did earlier, as Malta seeks a more balanced approach and a regional role in the Mediterranean. Also of importance is the large increase in the volume of trade between the U.S. and Malta over the past several years, as increased commercial links and travel have brought better understanding between Malta and the U.S.

CHAPTER IV - MARKETING U.S. PRODUCTS AND SERVICES

Distribution and Sales Channels

It is advisable for foreign suppliers to appoint a local agent or distributor to market their products in Malta. The Maltese government has not instituted protective legislation regarding agency agreements. Agent-principal relations are governed by the Commercial and Civil Code. Indefinite term agreements may be terminated; the principal must still provide any earnings for business being transacted. A definite term agreement terminates at the date of expiration of the agreement. Large importers normally operate their own distribution facilities, although some operate through a middleman. Retail outlets are normally small by international standards, but there is a move towards larger outlets or supermarkets.

Franchising

There are no specific regulations governing the operations of franchised units in Malta, neither are there any restrictions on them. Payments of the franchise and royalty fees are governed by the Foreign Exchange Control regulations. There is substantial interest in U.S. franchising opportunities.

Direct Marketing

Although not encouraged, direct marketing by foreign companies is allowed. Foreign principals may make use of the media either directly or through one of the several leading publicity companies.

Joint-Ventures/Licensing

Joint ventures and licensing arrangements with foreign manufacturers are allowed and encouraged. Private foreign investors are free to make equity arrangements as they wish from joint ventures to full equity ownership.

Establishing an Office

A license issued by the Police is required to operate a place of business from manufacturing to an office. The fee for such a license is calculated at a percentage ranging from 5 to 8 percent of the rental value of the premises.

Selling Factors/Techniques

Price still is the prime selling factor in Malta although quality is becoming more important. Adver-

tising on the local and international media, especially on television, is a good sales tool for penetrating the local market. Besides 4 local TV Stations, several U.S. television stations' programs are broadcast in Malta through a national cable network. Malta is also served by the Internet. A recent survey of small and medium sized businesses in Malta showed that close to half of them were using the Internet for sourcing information. U.S. suppliers should have a marked advantage in supplying high technology products and services which are not readily available in other countries.

Advertising and Trade Promotion

The following is a list of the leading English language newspapers published locally: The Times of Malta (daily), 341 St. Paul Street, Valletta VLT07, Tel: 241-464/9, Fax: 247-901; The Sunday Times of Malta (Sundays), 341 St. Paul's Street, Valletta VLT 07, Tel: 241-464/9, Fax: 237-150; The Malta Independent (Sundays), Standard House, B'Kara Hill, St. Julians, Tel: 345-888, Fax: 344-860; The Malta Business Weekly (Thursdays), Standard House, B'Kara Hill, St. Julians, Tel: 345-888, Fax: 344-860. No specialized business journals are published for general circulation. The leading trade organizations do, however, maintain their own magazine for distribution to their members. The following are the leading local trade organizations: Malta Chamber of Commerce, Exchange Building, Republic Street, Valletta, Tel: 233-873, 247-233, Fax: 245-223. Malta Federation of Industry, Development House, St. Anne Street, Floriana VLT 01, Tel: 234-428, Fax: 240-702

Pricing A Product

In pricing a product, foreign companies or their local agents should pay particular attention to similar products already being marketed, since the local market is very price sensitive. The normal profit margins for the importer/distributor and the retailer are 20 percent and 25 percent, respectively.

Sales Service/Customer Support

Customer service/support is becoming an increasingly important factor in promoting new products/services on the local market.

Selling to the Government

The Government of Malta purchases its major requirements through public calls for tenders. Although foreign companies are allowed to bid directly, it is advisable that they appoint a local agent. Some of the government purchases are financed through loans from individual countries or from the EU in which case the tenders would normally require that the goods are of EU origin or manufactured in the country in which the loan originated.

Need for an attorney

It is advisable for U.S. companies to engage the services of a local attorney in cases of legal interpre-

tation or legal problems.

CHAPTER V - LEADING SECTORS FOR U.S. EXPORTS AND INVESTMENT

Best Prospects for Non-Agricultural Products

Tourism Infrastructure

Malta's position as a holiday destination provides many and varied opportunities for businesses to invest in tourism infrastructure projects. The construction of hotels, casinos, theme parks, marinas and waterfront developments are some of the more popular projects undertaken by investors. Tourist arrivals have been increasing steadily over the last decade, and the government welcomes projects that seek to develop tourism facilities. In 1998, the government granted a USD 40 million waterfront development project to a consortium of companies, and planned to build a USD 25 million cruise line terminal. U.S. companies will participate in both of these projects. Other large tourism infrastructure projects are awaiting final approval. These projects should offer good opportunities for U.S. companies.

Information Handling

A substantial number of computer hardware and software companies have succeeded in securing a preponderant share of the market. The need for these equipment and services will continue to increase as both private and public sectors become increasingly computerized. Several international companies are using Malta as their base for their e-commerce operations.

Communications Equipment and Services

The technology edge should continue to favor U.S. suppliers of communications and broadcast equipment and services. The government had chosen a U.S. company to provide cable television services nationwide. Another U.S. company was chosen as the foreign partner in the company providing national paging services. Several of the local radio stations had chosen U.S. broadcast

equipment. The rapid advances in the communications field should continue to provide increased demand for communication equipment and services. Recently Maltacom, Malta's national telecommunications company, formed its own mobile telephone company, GoMobile, and chose a leading U.S. company for the supply of its mainframe equipment. Maltacom's development plans should present several trade and/or investment opportunities to U.S. telecommunications companies.

Medical Equipment and Supplies

U.S. companies are considered world leaders in the supply of pharmaceuticals as well as hospital and medical equipment. Several leading U.S. companies have succeeded in selling their products to government hospitals and private clinics. In addition, work on the enlarged San Raffaele Hospital are at an advanced stage. The project is estimated to cost some USD 250 million, and should provide excellent opportunities to appropriate U.S. suppliers.

Franchising Opportunities

The interest by Maltese businessmen in U.S. franchising is substantial and has been increasing, especially after the success enjoyed by the larger companies, such as McDonald's, Burger King, T.G.I. Fridays and Pizza Hut. As an indicator of this interest, of the four smaller franchising companies which exhibited their products/services at a catalog show in Malta in May 1996, three had signed up master franchises within a year. Since 1998, the U.S. Embassy has organized significant delegations of Maltese businessmen to the International Franchise Expo. As a result, several franchising agreements are being negotiated. Recently, Hard Rock Café reached an agreement with a leading local hotel operator to open its first franchise in Malta by the end of the year 2000.

Government Tenders

The Maltese Government periodically issues requests for bids for its procurement requirements, including consultancy. Major government projects should continue to offer good opportunities for U.S. suppliers of goods and services.

Financial Services

The role of the services sector has become increasingly important in the Maltese economy. All the main parastatal companies, including Air Malta, Malta Freeport and Enemalta, have tapped international financial markets to finance their capital programs. U.S. financial institutions have been working more closely with local commercial banks in facilitating international transactions. These opportunities, together with the increasing activity on the Malta Stock Exchange, should offer good openings for U.S. financial corporations. U.S. companies should also explore the advantages of establishing a local base under Malta's financial regulations.

Transshipment/Warehousing

Malta's Freeport offers transshipment facilities as well as free trade zones for storage and assembly operations, including an oil terminal with bunkering facilities. Companies licensed to operate within the Malta Freeport are exempt from payment of customs tariffs, income tax and stamp duties on their operations within the port. Currently, the Malta Freeport handles 1.2 million containers per year.

Manufacturing Opportunities

Malta offers several advantages as an investment site. Close to 200 foreign companies currently operate in Malta. The government encourages new investment, especially in high tech areas. Some U.S. companies operate in Malta, either under a U.S. license or with U.S. investment.

Electronic Components

The presence in Malta of a large manufacturer of computer parts accounts for much of the country's significant imports of electronic components

Best Prospects for Agricultural Products

Grain Products

Malta's parastatal company, Medigrain, annually purchases some 25,000 tons of red winter wheat, mostly from U.S. companies. American suppliers might also tap into a market for up to 25,000 tons a year of soft wheat. U.S. companies may also wish to consider Malta for transshipping grain products. Malta has grain storage and transshipment facilities at the Kordin Grain Silo (total silo capacity: 86,000 metric tons).

Timber

U.S. timber suppliers should avail themselves of the fairly large furniture manufacturing industry. Leading local companies import a substantial proportion of their timber, especially American Oak, from the United States.

Poultry

Imports of chicken and chicken parts carry high import duties and levies that make them uncompetitive on the local market. However, the local demand for imported turkey and turkey parts is growing, and turkey is not subject to the same restrictions as poultry, although there are substantial levies. This is still a small market opportunity, but which could reveal interesting to U.S. suppliers.

CHAPTER VI - TRADE REGULATIONS AND STANDARDS

Trade Barriers

Maltese tariffs are based on the Harmonized System (HS). After its 1998 electoral victory the PN replaced the Customs and Excise Tax, promulgated by the previous administration, with the Value Added Tax (VAT). Under the VAT system, all imports are subject to a 15 percent tariff. Additionally, imports from non-EU countries, including the U.S., are subject to an tariff duty of at least of 8.1 percent, making a total of over 23 percent. In order to protect local industry and crafts, the Maltese government imposed a levy, payable over and above normal tariff rates, on a fairly long list of locally produced items. The government, however, is currently dismantling the levies regime.

Import Licenses

Most imports into Malta do not require an import license from the Trade Department. Specific licenses are typically required for products involving health, security and the environment.

Export Controls

The Maltese government does not maintain rigid export controls, but exports of selected products, such as gold and works of art, are subject to export licensing controls.

Import/Export Documentation

All imports and exports should be accompanied by an appropriate invoice, a certificate of origin, and an import or export license, where applicable. All food and pharmaceutical products require certificates from the authorities of the exporting countries stating that the merchandise is safe for human consumption.

Temporary Importation

Local customs authorities allow temporary importation of samples, demonstration materials, etc. To facilitate the process of temporary importation, U.S. companies are advised to cover the shipments in question by an ATA Carnet Certificate.

Labeling/Marking Requirements

Labeling and marking requirements are contained in the Food and Labeling Act of 1992. In general, labels should contain the name of the producer, a list of the ingredients in English, the Lot Number, and the Best Before Date.

Free Trade Zones/Warehouses

Malta's Freeport offers transshipment facilities as well as free trade zones for storage and assembly operations, including an oil terminal with bunkering facilities, and grain storage and transshipment facilities.

Prohibited Imports

There is no list of specially designated prohibited imports. There are however, a number of products whose importation is subject to import licensing controls.

Standards

The Malta Standards Authority maintains standards on several products and is regularly drawing up standards on additional categories. The authority is a member of the ISO and Maltese Standards closely follow ISO requirements.

Special Import Provisions

There are no special import provisions.

Membership in Free Trade Arrangements

Malta is not a member of any free trade organization, but it has an association agreement with the EU. The country is currently negotiating for full EU membership.

CHAPTER VII - INVESTMENT CLIMATE

Openness to Foreign Investment

The government of Malta (GOM) actively seeks foreign direct investment opportunities and considers attracting foreign investment to be one of its highest priorities. Foreign investment plays an integral part in the country's economic restructuring program and provides technology and marketing skills, which are in short supply in Malta. The political stability that Malta enjoys makes invest-

ing in the country an attractive and safe option. Both the Prime Minister and the Leader of the Opposition Labor Party, a party that traditionally distanced itself from the West, have clearly conveyed their desire and eagerness to increase American investment on the island and to strengthen economic ties between Malta and the United States. In the last several years, the private sector also has played an increasingly important role. The Malta Development Corporation (MDC), a corporation established to promote investment in local industry, provides information to prospective investors, processes applications for industrial projects and serves as liaison between investors and other government entities. In addition, one of MDC's primary objectives is to attract U.S. investment, and it offers an attractive investment package for American investors (see section entitled "Performance Requirements/Incentives"). MDC is also responsible for the construction and management of Malta's 12 industrial parks.

Five major laws govern foreign investment in Malta; two bilateral agreements with the U.S. complete the legal framework for American investors. The Income Tax Act of 1948 (as amended) established a single rate of taxation of 35 percent for limited liability companies in Malta. The Industrial Development Act of 1988 authorizes the government to build and allocate factories, and to give fiscal incentives and customs exemptions. The Companies Act of 1995, administered by the Department of Trade, regulates the creation of limited liability companies. The Malta Development Corporation (MDC) Act of 1967 established the MDC as the government agency responsible for promoting industrial activity. The Exchange Control Act of 1972 specifies that the Central Bank of Malta must approve applications for investment and the subsequent repatriation of profit and capital. A U.S.-Malta Investment Guarantee Agreement dates from 1966.

Proposals for investment are considered on a case-by-case basis by MDC. Virtually, all manufacturing sectors are open to export-oriented investors. While there are no overt legal prohibitions against such activity, the government carefully screens foreign proposals oriented principally toward the domestic market. Certain economic activities, such as energy, are at present effectively closed to new private investment. These restrictions apply both to foreign and domestic investors. The government gives priority to investments, which have a higher capital input and offer greater technology, higher value added and marketing expertise. Research and development projects are also encouraged. Private foreign investors are free to make equity arrangements as they wish - from joint ventures to full equity ownership. Work permits are normally issued to foreign investors and to their management and technical personnel.

The government welcomes private investors, foreign and local, to participate in privatization projects. The Malta government has published a comprehensive plan outlining the privatization of several government entities during the next five years. There are no reported incidents of discrimination against foreign investors.

Conversion and Transfer Policies

The GOM routinely approves repatriation of profits, dividends, and capital. There are no legal parallel markets in Malta nor are there limitations on the inflow or outflow of funds for remittances of profits, debt service, capital, capital gains, returns on intellectual property, or imported raw materials as long as the appropriate documents are presented to the Central Bank of Malta. Delays of only a few days are experienced in converting investment returns after presentation of the necessary

documents. Maltese regulations and practices affecting remittances of investment capital and earnings are being improved as several foreign exchange controls are relaxed.

Since the Embassy has never had an inconvertibility claim, we are unable to give a dollar amount, which would likely be used by the Embassy in such an event.

Expropriation and Compensation

Private property is only expropriated for public purposes, in a non-discriminatory manner, and in accordance with established principles of international law. Investors and lenders of expropriated property receive adequate and effective compensation. There have not been any expropriations in the last decade. The GOM does not discriminate against U.S. or any other foreign investments in expropriation. There are no particular sectors at risk for expropriation or similar actions, nor are there any laws that force local ownership.

Dispute Settlement

There have not been any investment disputes over the past few years involving U.S. or other foreign investors or contractors in Malta.

The highest law-making institution is the House of Representatives, whose 65 members are elected every five years by proportional representation. Government functions through a cabinet of ministers, headed by the Prime Minister, all of whom are responsible to Parliament. The judiciary is independent and courts are divided into Superior Courts presided by judges and Inferior Courts presided by magistrates. The jurisdiction of the Inferior Courts is restricted to minor offenses of a criminal nature and to small civil matters. Traditionally, the judiciary functions through three courts - Criminal, Commercial and Civil. The Court Of Appeal hears appeals from the Civil and Commercial courts. Appeals from the Criminal Court are dealt with in the Court of Criminal Appeal. Finally, a Constitutional Court has jurisdiction to hear and determine questions and appeals on constitutional issues. There are also a number of administrative tribunals, such as the Industrial Tribunal, the Rent Regulation Board and the Board of Special Commissioners for income tax purposes.

The Maltese judiciary has a long tradition of independence. Once appointed to the bench, judges and magistrates have fixed salaries, which do not require annual approval and they cannot be dismissed. The Constitution guarantees the separation of powers between the executive and the judiciary. Fair trial is also recognized as an enforceable human right under Chapter 4 of the Maltese Constitution.

Malta has a distinct Commercial Code. Commercial activities are regulated by the Commercial Code and related legislation, such as the Banking Act, the Central Bank of Malta Act, etc. Bankruptcy is contemplated in the Commercial Code. The court appoints a curator to liquidate the assets of the bankrupt company, organization or individual and distribute the proceeds among the creditors.

Malta is not currently a member of either the International Center for Investment Disputes (ICSID) or of the New York Convention of 1958 on the recognition and enforcement of foreign arbitration

awards. However, Malta is actively considering membership in both of these organizations. Modes of settlement of disputes are also provided in bilateral investment guarantee agreements, which Malta has with several countries, including the United States, Italy, Germany, France, Bulgaria, Kuwait and the United Kingdom.

Performance Requirements/Incentives

The government offers several generous fiscal and other incentives for investment in industrial projects. The following are the most important:

- a ten year tax holiday to new industries that export 95 percent of their products;
- income tax exemptions and/or reductions to companies that register increases in export sales or those that plough back profits in approved projects;
- an investment allowance of 30 percent on capital equipment and 15 percent on industrial buildings and structures, in those cases where companies are not benefiting from the 10 year tax holiday allowance;
- an accelerated depreciation rate that enables the write-off of plant and machinery over four years, and of industrial buildings and structures over 25 years;
- duty-free imports of plant, machinery and equipment and (for export) raw materials;
- factory buildings are made available at the following annual subsidized rates: Lm 1.75 (USD 4.60) per square meter per annum during the first three years and up to Lm 4.00 (USD 9.00) per square meter for the following 13 years. Land can also be provided at Lm 0.23 (USD 0.60) per square meter per annum for areas under 1,000 square meters and at Lm 0.50 (USD 1.30) for larger areas;
- promoters of industrial projects may seek MDC soft loans, (3 to 5 percent per annum), with a two year moratorium, covering up to 33 percent of the projected capital outlay;
- other incentives include tax deductions on training costs, research and development expenses, and export promotion. Training and management services grants are also available.

The GOM also offers generous incentives to trading and financial companies registered with the Malta Financial Services Center. All benefits are guaranteed for 10 years from the date of registration, which confers legal status unaffected by retroactive legislation. The Malta Financial Services Center (MFSC), which administers the offshore industry, is required to observe strict confidentiality.

The U.S. government terminated its double taxation agreement with Malta, as of January 1, 1997. Prospects for negotiating a new double-taxation treaty are low at this time. Malta has double taxation agreements with the following countries: Australia, Austria, Belgium, Bulgaria, Canada, China, Cyprus, Denmark, Finland, France, Germany, Hungary, India, Italy, Korea (Rep. Of), Libya, Luxembourg, Netherlands, Norway, Pakistan, Poland, Malaysia, Romania, South Africa, Sweden, Switzer-

land and the United Kingdom.

All investment incentives are specified by law and not made available in an ad hoc manner. Treatment of domestic and foreign investors is identical. No favored treatment is given to foreign investors.

There are currently no performance requirements other than those linked to the goals stated by the investor at the time of application for assistance to the MDC. However, granting of certain investment incentives is subject to a company's exports. There are no stated requirements that a foreign investor should reduce his shareholding interest over time, transfer his technology, or employ Maltese nationals. These factors might, however, influence MDC's decision regarding his initial application for assistance.

Conditions that may be set by the authorities as part of MDC assistance are usually monitored and enforced by MDC. Investors are not required to disclose proprietary information to the GOM as part of the regulatory approval process.

Right To Private Ownership and Establishment

The GOM recognizes the right to private ownership in theory and in practice. Private entities are free to establish, acquire and dispose of interests in business enterprises and engage in all forms of remunerative activity. Foreign business entities are generally not granted permission to operate on their own in the wholesale and retail trade or in any other merchandising activity. However, the GOM would normally allow foreign companies to operate in merchandising areas if they operate a licensing, franchising or similar agreement through a local representative. It is the GOM's stated policy not to allow public enterprises to operate at the expense of private entities. Some sectors, such as energy, however, remain effectively closed to private sector participation. Private enterprises are given the same opportunities as public enterprises for access to markets and other business operations.

Protection of Property Rights

Please note that this section reflects the situation regarding the protection of property rights at the time of writing this report. However, new legislation which conforms to EU standards is expected to become effective in the coming months.

Property and contractual rights are enforced by means of (a) legal warning; (b) warrants of seizure; (c) warrants of prohibitory injunction; (d) warrants of impediments of departures; and, (e) sale of property by court auction. Procedures for registering and enforcing judgments of foreign courts are laid out in the code of organization and civil procedures.

Privilege and secured interests over immovable property have to be registered at the public registry in order to be enforceable. The GOM has occasionally been a party to various international arbitration and has abided by their decision. There is no regulation, which prohibits the government from

accepting binding international arbitration.

Acquisition and disposition of property rights is adequately protected and facilitated in the Maltese legal system. Intellectual property rights in Malta are covered by the Industrial Property Protection Ordinance —IP(P)O — contained in Chapter 29 of the laws of Malta. Not all of Malta's intellectual property laws fully adhere to international agreements. However, the GOM has an association agreement with the European Union; it has also signed the Uruguay Final Act, which includes the Trade Related Aspects of Intellectual Property Rights (TRIPS).

Maltese courts have proved willing to prosecute a few cases of software piracy, but the existing legal framework is not yet up to par with the EU software directive. There have been recurrent complaints by the U.S. industry of video and software piracy.

As regards patents, a new invention or discovery is defined, according to Articles 3 and 4 of the IP(P)O, as:

- (a) the invention of a new industrial process or result;
- (b) the invention of new methods, or the new application of known methods, for obtaining an industrial result or process.

Every modification of an invention or discovery, for which a patent is still in force, gives a claim to a further patent, without prejudice to the patent existing in respect to the original invention.

The only cases which are not patentable are the following:

- (a) inventions or discoveries relating to trades which are contrary to law, morals, or public safety;
- (b) inventions or discoveries the subject whereof is not the production of material substances;
- (c) inventions or discoveries which are purely theoretical; and
- (d) schemes and combinations relating to credit and finance.

Patents are protected for 14 years, and in certain cases a further period of patents of 7 years (in exceptional cases of 14 years) may be granted by the minister responsible for intellectual property rights.

Compulsory licenses for patents are covered by Section 49 of the IP(P)O which states that: the holder of a patent may be compelled to assign his rights, or to grant to others the use of the patent, for a consideration to be determined by the Commercial Court, if the invention or discovery to which the patent refers shall not have been worked within three years subsequent to the grant, or if its working is suspended for three consecutive years.

Malta's Copyright Act (Chapter 196 of the Laws of Malta) does include the exclusive right to: (1) copy or reproduce work; (2) translate, revise or otherwise adapt or prepare derivative works; (3) distribute copies of the work; and (4) publicly communicate. The law at present does not cover databases and has no exhaustion clauses. Eligible for copyrights are: a) novels; b) plays, stage directions, choreographic works, film scenarios and broadcasting strips; c) textbooks, treaties, histories, biographies, essays and articles; d) encyclopedias and dictionaries; e) letters, reports and memoranda; f) lectures, addresses and sermons. Literary works include computer software.

The terms of copyright are calculated as follows: a) for literary, music or artistic works other than photographs - 25 years after the end of the year in which the author dies; b) for films and photographs - 25 years after the end of the year in which the work was first made accessible to the public by the owner of the copyright therein; c) for sound recordings - 25 years after the end of the year in which the recording was made; d) for broadcasts - 25 years after the end of the year in which the broadcast took place.

There is adequate protection of trademarks in Maltese law. However, there is no provision for the registration of service marks. Neither are there provisions at present covering trade secrets or semiconductor chip layout design. Trademarks are protected for 14 years from the date of application, which may be renewed indefinitely for further periods of 14 years.

Transparency of the Regulatory System

The GOM has adopted transparent and effective policies and regulations to foster competition. It is striving to eliminate unnecessary bureaucratic procedures and has taken steps to revise labor, safety, health and other laws in general to conform to EU standards.

Efficient Capital Markets and Portfolio Investments

Capital is available from both public and private sources. This is especially true if the proposal meets a high government priority. Both foreign and local companies can avail themselves of local lending facilities. Commercial banks and their subsidiaries can provide loans at the commercial interest rate for up to 20 - 25 years. New investors can negotiate soft loans (3 to 5 percent per annum) from MDC covering up to 33 percent of the projected capital outlay, subject to a maximum of Lm 1 million (USD 2.5 million). Venture capital is also available.

Although local commercial banks have become more liberal in their lending policies and have enlarged and improved their services, they are still not as enterprising as their foreign counterparts. Computerization still lags far behind other European countries. Malta's banking system, whose total assets amount to about USD 6.2 billion, is considered extremely sound. In an effort to conform to EU requirements and to establish monetary policy instruments, the GOM has liberalized interest rates. The purchase by HSBC of the majority of shares in Malta's largest commercial bank should serve to foster competition in this sector.

Malta's stock exchange, which was set up in 1993, is still relatively small with only Malta's commercial banks, a leading brewery, an insurance company, Malta's telecommunications company, two private hotel operators and a shopping complex listed. However, during the first nine months of 1999, a turnover of Lm107.3 (up from Lm 13.4 million in 1998) was recorded in ordinary and preference shares. Until now, local companies have not been concerned with the possibility of hostile takeovers since most of them have not yet been listed on the stock exchange. Therefore, private firms have not taken any measures designed to protect against such takeovers, nor are there laws or regulations specifically authorizing private firms to adopt articles of incorporation/ association that would limit foreign investment, participation or control. Legal, regulatory and accounting systems are transparent and consistent with international norms. Several U.S. auditing firms have

Political Violence

There have been no incidents over the past few years involving politically-motivated damage to projects and/or installations and there are no signs that civil disturbances may become more likely. Neither are there any signs that u.s. investor properties might become targets in the future.

Corruption

The GOM has established a commission to investigate alleged cases of corruption. Penalties, varying from fines to imprisonment, are applicable to those found guilty of corruption. Foreign firms, including U.S. companies, have not complained about corruption being an obstacle to their investment in Malta, as corruption is very rare. Giving or accepting a bribe or bribing a foreign official is a criminal act.

Bilateral Investment Guarantees

In addition to the investment guarantee agreement with the U.S., Malta has similar accords with Italy, Germany, France, Bulgaria, Kuwait and the U.K. The primary aim of these agreements is to encourage bilateral promotion and protection of investments. These agreements contain guarantees regarding (a) compensation in cases of investment losses due to natural or other causes, and (b) repatriation of capital and dividends. Contracting parties bind themselves not to expropriate each other's property, and the agreements provide for modes of settlement of investment disputes.

OPIC and Other Investment Insurance Programs

Malta qualifies for OPIC investment guarantee programs. OPIC sent two missions to Malta during 1985 and 1986 and another one in June 1991. Malta's leading trading partners (U.K., Germany, France and Italy) offer insurance programs similar to OPIC's which cover investments in Malta. Malta is a member of the Multilateral Investment Guarantee Agency (MIGA).

Foreign companies that have invested in Malta have a high regard for the ability, productivity and learning potential of Maltese workers, nearly all of whom speak English. In some industries, labor productivity is comparable to Western European countries and the U.S. The majority of foreign firms now in Malta are managed by Maltese. With technical and research personnel in short supply, the present administration has taken steps to upgrade the standard of education at state technical schools. On the labor front, Malta enjoys one of the lowest strike rates in Western Europe, and labor unrest is doubtful in the foreseeable future. The GOM strictly adheres to the ILO convention protecting workers' rights.

Labor

Malta's most important resource is its labor force, currently around 145,590. Maltese wage levels have remained moderate for the last several years. The national minimum wage is Lm 47.38 per

week (USD 2.96 per hour/USD 118.50 a week) and average wages for skilled workers are about Lm 70 (USD 175) per week. In addition, incidental labor costs (legally required annual bonuses, social insurance contributions, vacation and sick pay) average around 30 percent of the wage bill. The average hourly compensation cost in Malta is Lm 2.12 (USD 5.30) compared to Lm 12.58 (USD 31.50) in Germany. There are no formal requirements for local management, but the government encourages companies to train and gradually replace foreign managers with Maltese.

Foreign Trade Zones and Free Ports

Malta's Freeport offers modern transshipment facilities, storage, assembling and processing operations as well as an oil terminal and bunkering facilities. According to the Malta Freeport's Act of 1989, companies licensed to operate in the Freeport will be exempt from the payment of customs tariffs, income tax and stamp duties on their operation within the port. The annual licensing fee is Lm 1,000 (USD 2,500). These incentives are available to both domestic and foreign companies.

Foreign Direct Investment Statistics

No data for the value of foreign direct investment is available. The only investment figures that are kept are those collected by MDC at the time of the original application for assistance by the companies.

No information is available on major foreign direct investments on the basis of current values. However, the following are some of the leading foreign investments in Malta:

- AON Malta Ltd. – (U.S.A.) – established in 1976, employs 32, subsidiary of AON group.
- Dowty (Malta) Ltd. - (U.K.) - established in 1961, employs 1000; estimated annual sales of USD 42.0 million;
- Methode Electronics- (U.S.) - established in 1966, employs 400; estimated annual sales of USD 35 million;
- Aeromaritime Mediterranean Ltd. - (U.S.A.) - established in 1980, employs 45; estimated annual sales of USD 6.0 million;
- Brandstraetter Group of Companies - (Germany) - established in 1971, employs 800; estimated annual sales of USD 60 million;
- Menrad Ltd. - (Germany) - established in 1974, employs over 550; estimated annual sales of USD 16.5 million;
- Thomas De La Rue (Malta) Ltd. - (U.K.) - established in 1975, employs about 500;
- SGS Thomson Ltd. - (Italian/French) - established in 1981; employs 1,800; estimated annual sales of USD 1 billion;

- Baxter Ltd. - (U.S.A.) - established in 1977; employs 500;

- Carlo Gavazzi Electronic Ltd. - (Swiss) - originally established in 1978 under the name of Electromatic Ltd; employs 180; estimated annual sales of USD 10 million;

- MSC (Malta) Ltd. - (Germany) - established in 1992; employs around 120 and has invested over USD 4.0 million.

Capital Outflow Policies

There are no restrictions imposed on the repatriation of profits and capital by foreign investors. Foreign investments by Maltese companies are subject to approval by the Central Bank of Malta on a case-by-case basis.

CHAPTER VIII - TRADE AND PROJECT FINANCING

The Maltese Banking System

The Central Bank has a vital role in implementing the government's monetary policies, and its main functions are similar to those of central banks in general. These include issuing currency, maintaining external reserves and acting as banker to the government and to commercial banks. It also administers exchange control.

The flow of payments into and out of the country is controlled by the Central Bank. The Central Bank is responsible for permitting payments abroad above the limits delegated to commercial banks, for foreign participation in local enterprises and for borrowing locally by companies incorporated under the laws of Malta but controlled directly or indirectly by non-residents.

The two major banks in Malta are HSBC (Malta) Ltd., which is owned by the Hong Kong Shanghai Bank Corporation (HSBC), and Bank of Valletta. They each operate about 40 branches across Malta & Gozo, and together control over 80 percent of the consumer banking market. Two other commercial banks, Lombard Bank (Malta) and APS Bank, operate on a smaller scale. Commercial banks offer all forms of commercial banking services.

Foreign Exchange Controls

There are no foreign exchange controls that specifically affect trade. Foreign exchange permission for payments abroad is automatically granted on presentation of supporting documentation.

General Financing Availability and Terms of Payment

New investors can negotiate with MDC soft loans (3 to 5 percent interest per annum) covering up to 33 percent of the projected capital outlay, subject to a maximum of LM500,000 (USD 1.3 million). General financing is available from commercial banks. Terms of payment are negotiable.

Both Eximbank and OPIC financing is available to U.S. exporters to Malta. The two leading local commercial banks have regular contacts with U.S. correspondent banks.

CHAPTER IX - BUSINESS TRAVEL

Clothing

Malta is largely a tourist island. City and casual dress is appropriate. Lightweight apparel for the summer and woolens for the winter are required for this temperate climate.

Language

Maltese is the official language. English is the second language, widely spoken and understood, and all business is transacted in English.

Health and Medicine

Hospital and medical care are adequate, although the breadth of services available is limited. Community health standards are generally adequate. Tap water is very saline, and bottled water is necessary and available. Milk products are safe, but precaution against spoilage needs to be observed during the summer months.

Transportation

Flights to Malta are available from various points in Europe and North Africa. Car and passenger ferry service from Sicily is frequent. No entry visa is required to visit Malta. A ferry service provides scheduled trips between Malta and Gozo. Driving is on the left and roads are generally not in very good condition. Buses go to all parts of the island. One must phone for a taxi or get one from the few taxi stands. Agree on a fare prior to entering. Rental cars are also available.

Business Hours

Sunday is the weekly holiday in Malta. Government offices open (October to mid-June) from 7.45am to 5.15pm, Monday through Friday. Between mid-June and September, government hours are 7.30am to 1.30pm, Monday through Friday. Banks are open Monday through Thursday, 8.30am through 2.00pm, and 8.30am through 3.30pm on Friday. On Saturday, the bank's opening hours are: 8.30am-12.00 noon, but some branches are closed in summer. Commerce and industry business hours are 8.30am through 5.30pm and Saturdays 8.00am through 1.00pm.

Holidays

The following is a list of public holidays during which offices and businesses remain closed: Jan 1, New Year's Day; Feb 10, St. Paul's Shipwreck; March 19, St. Joseph; March 31, Freedom Day; Good Friday (movable); May 1, Labor Day; June 7, Sette Giugno; June 29, St. Peter & St. Paul; August 15, Assumption; September 8, Victory Day; September 21, Independence Day; December 8, Immaculate Conception; December 13, Republic Day; December 25, Christmas Day.

Foreign Service Posts

U.S. Business travelers are encouraged to obtain a copy of the "Key Officers of Foreign Service Posts: Guide for Business Representatives" available for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402; tel: (202)-512-1800; fax: 202-512-2250. Business travelers to Malta seeking appointments with U.S. Embassy Valletta officials should contact the Commercial Section in advance. The Commercial Section can be reached by telephone at 356-235960/5 or by fax at 356-237790 or by email on usembmalta@vol.net.mt or fcsvalletta@vol.net.mt.

CHAPTER X – ECONOMIC AND TRADE STATISTICS

Country Data

Population: 380,000

Population Growth Rate (percent): 0.5

Government System: Parliamentary Democracy

Languages: Maltese, English

Workweek: 40-hour week (on average)

Domestic Economy

	1997 (Est)	1998	1999	_____

GDP (USD Million)	3339	3480	3600	
Real GDP Growth rate (%)	4.9	3.1	4.4	

GDP Per capita (USD)	8865	9200	9470
Government Spending as % of GDP	49.8	49.0	48.0
Inflation (%)	3.3	2.2	2.1
Unemployment %	5.0	5.1	5.3
Foreign Exchange Reserves (LM million)	1888	2208	2160
Average Exchange Rate (USD 1 = LM)	0.38	0.39	0.40
Debt as % of GDP	51.3	56.1	53.5
- US Military/Economic Assistance	Nil	Nil	Nil

Trade Statistics (USD million)

	<u>1997</u>	<u>1998</u>	<u>1999</u>
Total Maltese Exports	1640	1834	1978
Total Maltese Imports	2551	2666	2990
U.S. Exports to Malta	202	237	240
U.S. Imports from Malta	236	333	422

Appendix D: Investment Statistics

No data for the value of foreign direct investment is available.

CHAPTER XI - U.S. AND COUNTRY CONTACTS

Official Organizations

Air Malta Co. Ltd.
Mr. Louis Grech, Chairman,
Luqa Airport
Luqa
Tel: 2299-9327; Fax: 892912

Central Bank of Malta
Mr. Michael Bonello, Governor,
Castille Place
Valletta
Tel: 277-480; Fax: 273-051

Civil Aviation Department
Mr. Joseph Sultana, Director,
Civil Airport,

28
Luqa

Tel: 222-936; Fax: 247-887

Customs Department

Mr. Alfred Pace, Director General,
Customs House,
Valletta

Tel: 233-571, 233-175; Fax: 246-150

Department of Agriculture

Mr. Franco Serracino Inglott, Director General,
Barriera Wharf
Valletta.

Tel: 225236; Fax: 248602

Department of Health

Dr. Ray Busuttil, Director General
15 Merchants Street
Valletta CMR 02

Tel: 248150; Fax: 248766

Department of Information,

Mr. Alfred D. Baldacchino, Director,
3 Castille Place
Valletta CMR 02

Tel: 224-901; Fax: 237-170

Department of Trade,

Mr. Lawrence Coppini, Director,
Lascaris,
Valletta

Tel: 224-411, 231-365; Fax: 246-800

Director of Contracts

Mr. Joseph V. Spiteri, Director
Notre Dame Ravelin, Floriana
Tel: 220212/3; Fax: 224377

EneMalta Corporation,

Prof. Robert Ghirlando, Chairman,
Church Wharf,
Marsa

Tel: 223601, 221907; Fax: 243055

Malta Council for Economic Development

Prof. Edward Scicluna, Chairman
St. Calcedonius Square
Floriana
Tel: 220178, 223551; Fax: 245026

Malta Development Corporation
Mr. Francis Vassallo, Chairman,
Villa Portelli, Triq Marina
Kalkara
Tel: 806380; 806450; Fax: 806483

Malta Financial Services Centre
Prof. Joseph V. Bannister, Chairman,
Attard
Tel: 441155; Fax: 441188

Malta Freeport Corporation
Freeport Center
Port of Marsaxlokk
Kalafrana BBG 05
Tel: 650200; Fax: 654814

Maltacom p.l.c.
Mr. Maurice Zarb Adami, Chairman,
Spencer Hill
Marsa
Tel: 248229; Fax: 248925

Malta Stock Exchange
Mr. Alfred Mallia, Chairman,
27 Pietro Floriani Street
Floriana
Tel: 244051/5; Fax: 244071

Medigrain Ltd.
Mr. Anthony Agius, Chairman,
Industrial Estate,
Marsa
Tel: 233260, 222403; Fax: 222403

Ministry of Foreign Affairs
Mr. Joe Borg, Minister,
Palazzo Parisio
Merchants Street
Valletta
Tel: 242191, 237833; Fax: 237822

Business Organizations

Malta Chamber of Commerce

Mr. Anthony Borg Cardona, Director General,
Exchange Building,
Republic Street
Valletta
Tel: 233-873, 247-233; Fax: 245-223

Malta Federation of Industry,

Mr. Edwin Calleja, Secretary General,
Development House,
St. Anne Street
Floriana VLT 01
Tel: 234-428, 222-074; Fax: 240-702

Commercial Banks

APS Bank Ltd.

Mr. Alfred Farrugia, Director
APS House, St. Anne Street
Floriana, VLT 16
Tel: 226-644; Fax: 226-202

Bank of Valletta Ltd.

Mr. Joseph F.X. Zahra
58 Zachary Street
Valletta
Tel: 243-261/7; Fax: 230-894

HSBC Malta, plc.

Mr. Tom Robson, Director and Chief Executive
Hexagon House, Spencer Hill
Blata l-Bajda HMR 12
Tel: 226030; Fax: 226027

Official U.S. Contacts

Commercial Section

U.S. Embassy

P.O. Box 535
Valletta
Tel: 235960/5; Fax: 235960
James Perez, Commercial Officer
Alfred Bonello, Commercial Specialist

TPCC Trade Information Center
Washington, D.C.
Tel: 1-800-USA-TRADE

U.S. Department of State
Office of the Coordinator for Business Affairs
Tel: 202-746-1625
Fax: 202-647-3953

U.S. Department of Agriculture
Foreign Agricultural Service
Trade Assistance and Promotion Office
Tel: 202-720-7420

CHAPTER XII – MARKET RESEARCH

Several specific market research companies have been prepared on the Maltese market. For additional information, please contact the Commercial Section of the U.S. Embassy.

CHAPTER XIII – TRADE EVENT SCHEDULE

The most significant annual trade event in Malta is the International Fair of Malta, which is held during the first two weeks of July. The U.S. Embassy has for the last ten years organized a U.S.A. Pavilion at this event with the participation of local agents of U.S. companies. Recently, representatives of several new to market franchising companies also participated in our Pavilion.